AMENDED IN SENATE JUNE 12, 2012

AMENDED IN ASSEMBLY JANUARY 11, 2012

AMENDED IN ASSEMBLY MAY 10, 2011

AMENDED IN ASSEMBLY APRIL 14, 2011

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

No. 904

## **Introduced by Assembly Member Skinner**

February 17, 2011

An act to add Section 381.3 to the Public Utilities Code, relating to energy. An act to add Article 2 (commencing with Section 65200) to Chapter 3 of Division 1 of Title 7 of the Government Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

AB 904, as amended, Skinner. Energy efficiency. Local government: parking spaces: minimum requirements.

The Planning and Zoning Law requires specified regional transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, and requires the regional transportation plan to include, among other things, a sustainable communities strategy, for the purpose of using local planning to reduce greenhouse gas emissions.

This bill, commencing on January 1, 2014, would prohibit a city or county from requiring a minimum parking standard in transit-intensive

 $AB 904 \qquad \qquad -2 -$ 

areas, as defined, greater than one parking space per 1,000 square feet in nonresidential projects, one parking space per unit in residential projects, and specified portions, as applicable, of a parking space per unit for certain affordable housing projects, except as specified. The bill would also make a statement of legislative findings regarding the application of its provisions to charter cities.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to establish, by March 1, 2010, a regulatory proceeding to develop a comprehensive program to achieve greater energy savings in the state's existing residential and nonresidential building stock.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law authorizes the PUC to establish rules for all public utilities, subject to control by the Legislature. Pursuant to existing law, the PUC has opened Rulemaking 09-11-014 (Order Instituting Rulemaking to Examine the Commission's Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement and Verification, and Related Issues, filed November 20, 2009). Existing law requires the PUC, by March 1, 2010, to open a new proceeding or amend an existing proceeding to investigate the ability of electrical corporations and gas corporations to provide various energy efficiency financing options to their customers for the purposes of implementing the above-described Energy Commission program.

This bill would require the PUC, as part of Rulemaking 09-11-014, to evaluate reasonable alternatives for financing residential energy efficiency retrofits, including efficiency improvements of heating, ventilation, and air-conditioning. The bill would require the PUC to consult and coordinate with the Energy Commission in complying with those requirements.

Vote: majority. Appropriation: no. Fiscal committee: <u>yes-no</u>. State-mandated local program: no.

*The people of the State of California do enact as follows:* 

- 1 SECTION 1. This act shall be known and may be cited as the
- 2 Sustainable Parking Standards Act of 2012.
- 3 SEC. 2. (a) The Legislature finds and declares all of the
- 4 *following:*

-3- AB 904

(1) The state, cities, and counties have invested billions of dollars in transit infrastructure. Land use policies that reduce the cost and complexity of transit-oriented development help ensure a return on that investment.

- (2) Consistent with Senate Bill 375 and Assembly Bill 32, it is state policy to promote transit-oriented infill development.
- (3) Existing parking requirements throughout the state are based on low-density and segregated single land uses.
- (4) Parking is costly to build and maintain and can substantially increase the cost of constructing and operating infill projects.
- (5) The high cost of the land and improvements required to provide parking significantly increases the cost of transit-oriented development, making lower cost and affordable housing development financially infeasible and hindering economic development strategies.
- (6) Increasing public transportation options and developing more walkable and bikeable neighborhoods reduce the demand for parking.
- (7) Excessive governmental parking requirements for infill and transit-oriented development reduce the viability of transit development by limiting the number of households and workers near transit, increasing walking distances, and degrading the pedestrian environment.
- (8) Reducing excessive minimum parking requirements for infill and transit-oriented development and allowing builders and the market to decide how much parking is needed can do all of the following:
- (A) Ensure sufficient but not excessive amounts of parking are provided.
- (B) Significantly reduce the cost of development and increase the number of transit-accessible and affordable housing units.
- (C) Increase density in areas with the most housing demand, and improve the viability of developing alternate modes of transportation, such as public transit, ridesharing, biking, and walking.
- (D) Reduce green house gas emissions and vehicle miles traveled by removing an incentive to drive.
- (b) It is the intent of the Legislature to reduce unnecessary government regulation and to reduce the cost of development by

AB 904 —4—

eliminating excessive minimum parking requirements for infill and transit-oriented development.

- (c) The Legislature further finds and declares that the need to address infill development and excessive parking requirements is a matter of statewide concern and is not a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this act shall apply to all cities, including charter cities.
- SEC. 3. Article 2 (commencing with Section 65200) is added to Chapter 3 of Division 1 of Title 7 of the Government Code, to read:

## Article 2. Sustainable Parking Standards Act of 2012

- 65200. (a) Commencing on January 1, 2014, in transit-intensive areas, a city, county, or city and county, including a charter city, shall not require projects to provide a minimum number of parking spaces greater than:
- (1) One parking space per thousand square feet of commercial, industrial, institutional, or other nonresidential projects.
- (2) One parking space per unit for non-income-restricted residential projects.
- (3) Seventy-five one hundredths parking spaces per unit for projects that include both income-restricted and non-income-restricted units, and which meet the standards in subdivision (b) of Section 65915.
- (4) Five-tenths parking spaces per unit for units that are restricted by a recorded covenant or a deed that lasts at least 55 years to rents or prices affordable to persons and families making less than 60 percent of area median income.
- (b) This section shall not be construed as setting a maximum number of spaces a project may provide.
- (c) This section shall not apply to any property that meets any of the following criteria:
- (1) The property and immediately adjoining properties are restricted to development or redevelopment at a floor area ratio of below 0.75.
- (2) The property includes a parcel or parcels whose dwelling units are subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low-

\_5\_ AB 904

1 or moderate-income, or are subject to other forms of rent or price 2 control imposed through a public entity's valid exercise of its 3 police power, that will be destroyed or removed, unless any 4 proposed development on the property is to include an equal 5 number of bedrooms that shall be made available at affordable 6 housing costs to, and will be occupied by, persons and families in 7 the same or lower income category (extremely low, very low, or 8 low) in the same proportion as the units occupied or last occupied 9 by extremely low, very low, or low-income households in the 10 property. Rental replacement units provided pursuant to this 11 paragraph shall be made available at affordable housing costs 12 for at least 55 years, or at the remaining term of the existing 13 recorded covenants or deed restrictions that require maintenance 14 of affordable housing costs, which are consistent with the parties 15 meeting their contractual obligations. Ownership replacement 16 units provided pursuant to this paragraph shall be made available 17 at affordable housing costs for at least 45 years. 18

(3) The property includes a parcel where the owner withdrew residential rental units pursuant to Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1, from rental or lease, or offering for rental or lease pursuant to paragraph (2) of subdivision (a) of Section 7060.2.

19

20 21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

(d) For purposes of this section, "transit-intensive area" means an area that is within one-half mile of a major transit stop or within one-quarter mile of the center line of a high-quality transit corridor included in a regional transportation plan. A major transit stop is as defined in Section 21064.3 of the Public Resources Code, except that, for purposes of this section, it also includes major transit stops that are included in the applicable regional transportation plan. For purposes of this section, a high-quality transit corridor means a corridor with a fixed route bus service with service intervals no longer than 15 minutes during peak commute hours. A property shall be considered to be within one-half mile of a major transit stop or within one-quarter mile of the center line of a high-quality transit corridor if all parcels within the property together have no more than 25 percent of their area farther than one-half mile from the stop or within one-quarter mile of the center line of a corridor, and if not more than 10 percent of the residential units or 100 units, whichever is less, in

 $\mathbf{AB} \ \mathbf{904} \qquad \qquad \mathbf{-6} - \mathbf{6}$ 

any proposed project are farther than one-half mile from the stop or within one-quarter mile of the center line of a corridor.

- (e) Consistent with subdivision (f), a city, county, or city and county, including a charter city, may require higher minimum parking standards for new development in a transit-intensive area other than those established pursuant to subdivision (a) if it makes written findings, specific to that transit-intensive area, based upon objective criteria and substantial evidence in the record that:
- (1) The transit-intensive area in question does not currently have or cannot reasonably expect to have sufficient walkability, as defined by proximity to services such as grocery stores or other neighborhood amenities within one-half mile of the transit-intensive area.
- (2) The transit-intensive area in question does not currently have or cannot reasonably expect to have a sufficient level of transit service or bike access to provide for viable alternatives to the car.
- (3) The parking standards set forth in this act would undermine existing parking standards that create effective incentives for transit-oriented development or affordable housing production, or both.
- (4) The parking standards set forth in this section conflict with a plan that is specific to a station area and is in effect as of January 1, 2013, that includes a major transit stop and provides for reduced off-street automobile parking requirements in comparison to the standard zoning requirements in the same jurisdiction outside the transit-intensive area.
- (f) Any action by a city, county, or city and county, including a charter city, to increase parking requirements in a transit-intensive area pursuant to subdivision (e) shall be in the form of an ordinance that complies with a local zone, plan, or other generally applicable development standard within that transit area. Development projects whose applications the city or county has deemed complete after January 1, 2014, but before the adoption of any increased minimum parking requirements made pursuant to this subdivision, shall not be subject to those increased minimum parking requirements.
- (g) A city, county, or city and county that has adopted an ordinance pursuant to subdivisions (e) and (f) may repeal that

\_7\_ AB 904

ordinance at any time without any requirement for new findings or analysis.

- (h) Before January 1, 2014, a city, county, or city and county may evaluate and approve projects pursuant to the parking standards under this section.
- SECTION 1. Section 381.3 is added to the Public Utilities Code, to read:
- 381.3. (a) As part of Rulemaking 09-11-014 (Order Instituting Rulemaking to Examine the Commission's Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement and Verification, and Related Issues, filed November 20, 2009), the commission shall evaluate reasonable alternatives for financing residential energy efficiency retrofits, including efficiency improvements of heating, ventilation, and air-conditioning.
- 15 (b) The commission shall consult and coordinate with the State
  16 Energy Resources Conservation and Development Commission
  17 in complying with subdivision (a).